



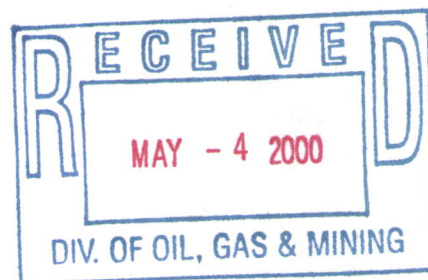
# State of Utah

*School and Institutional*  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
<http://www.trustlands.com>



Joseph M. Caruso  
H.C. 65 Box 221  
Pipe Springs, AZ 86022

May 3, 2000

Re: Plan of Operation, Notice of Intent to Commence Mining, Gemstone Leases ML 26996  
ML 27618 and ML 41354.

Dear Mr. Caruso:

A review of the files for the above referenced Gemstone/Fossil leases shows that neither the School and Institutional Trust Lands Administration ("Trust Lands Administration") or the Division of Oil, Gas and Mining ("DOGM") has on file a currently approved notice of intent to commence mining that shows the present status of your mining operations within the leased lands. In order to comply with Article XII of the lease agreement and agency rules you must file a complete Notice of Intent to Commence Mining with an updated plan of operation. Included with your plan of operation you must file an up to date map showing existing disturbances, lands you consider to be reclaimed, and planned excavations for the current year. Your plan must be approved by the Trust Lands Administration and DOGM before you may proceed. When ever there is a change in plans you must notify the Trust Lands Administration and DOGM for approval. Enclosed is an outline of the information required by the Trust Lands Administration for filing a notice of intent to commence mining. The Trust Lands Administration requires a response to each item and will not accept responses that are written in the margins of the outline. At the request of DOGM, and for your convenience I have also enclose a copy of the form they require for approval to commence with small mining activity.

For your convenience I have enclosed copies of the 7.5 minute topographic coverage for all state lands that are currently under lease for Gemstone/Fossil material in the area where Septarian nodules are found. On the map please identify all existing disturbance, areas you identify as being reclaimed, and areas in which you plan to commence with continued excavation. Also include an acreage estimate under each category. This information will be compared with information gathered from site visits by the Trust Lands Administration and DOGM and an evaluation of the reclamation bonding requirements will be made.

If you have any questions feel free to contact me at the phone or address on this letterhead.

William M. Stokes  
Minerals Resource Specialist

cc: Ester M. Caruso, Loy Crapo, Tom Munson, DOGM